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13 Cross-Defendant CHURCH OF SCIENTOLOGY
14 INTERNATIONAL

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF MARIN

17 CHURCH OF SCIENTOLOGY) CASE NO. 157 680
18 INTERNATIONAL, a California not-)
19 for-profit religious corporation;) FOURTH REQUEST FOR JUDICIAL
20) NOTICE
21 Plaintiffs,)
22 vs.) DATE: September 9, 1994
23) TIME: 9:00 a.m.
24 GERALD ARMSTRONG; MICHAEL WALTON;) DEPT: 1
25 et al.,)
26 Defendants.)
27) DISCOVERY CUT-OFF: Aug. 30,
28) 1994
29 GERALD ARMSTRONG,) MOTION CUT-OFF: Sept. 13,
30) 1994
31 Cross-Complainant,) TRIAL DATE: Sept. 29, 1994
32 vs.)
33)
34 CHURCH OF SCIENTOLOGY)
35 INTERNATIONAL, a California)
36 Corporation; DAVID MISCAVIGE;)
37 DOES 1 to 100;)
38 Cross-Defendant.)
39)

40 Plaintiff and cross-defendant, Church of Scientology
41 International, requests that this Court take judicial notice of
42 the following records of the Superior Court of the County of

1 Marin, pursuant to Evidence Code Sections 452 and 453:

2 1. Gerald Armstrong's Second Amended Verified Cross-
3 Complaint for Abuse of Process, filed and served on April 15,
4 1994, in the case of Church of Scientology International v.
5 Gerald Armstrong and Michael Walton, et al., Superior Court,
6 County of Marin Case No. 157 680, a true and correct copy of
7 which is attached hereto, for the Court's convenience, as Exhibit
8 A.

9 2. A Minute Order dated June 17, 1994, regarding
10 proceedings before Judge Gary W. Thomas in the case of Church of
11 Scientology International v. Gerald Armstrong and Michael Walton,
12 et al., Superior Court, County of Marin Case No. 157 680, a true
13 and correct copy of which is attached hereto as Exhibit B.

14 3. Church of Scientology International's Verified
15 Complaint to Set Aside Fraudulent Transfers and for Damages;
16 Conspiracy, filed on July 23, 1993, in the case of Church of
17 Scientology International v. Gerald Armstrong and Michael Walton,
18 et al., Superior Court, County of Marin Case No. 157 680, a true
19 and correct copy of which is attached hereto as Exhibit C.

20 DATED: July 22, 1994

Respectfully submitted,

21 BOWLES & MOXON

22
23 By: 151
Laurie J. Bartilson

24 Andrew H. Wilson
25 WILSON, RYAN & CAMPILONGO

26 Attorneys for Plaintiff
27 and Cross-Defendant
28 CHURCH OF SCIENTOLOGY INTERNATIONAL

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7
8

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 IN AND FOR THE COUNTY OF MARIN

11 CHURCH OF SCIENTOLOGY)
12 INTERNATIONAL, a California)
not-for-profit religious)
13 corporation;)
14 Plaintiffs,)
15 vs.)
16 GERALD ARMSTRONG; MICHAEL)
WALTON; et al,)
17 Defendants.)

No. 157 680

SECOND AMENDED
VERIFIED CROSS-COMPLAINT
FOR ABUSE OF PROCESS

18 _____)
19 GERALD ARMSTRONG,)
20 Cross-Complainant,)
21 -vs-)

22 CHURCH OF SCIENTOLOGY)
23 INTERNATIONAL, a California)
Corporation; DAVID MISCAVIGE;)
24 DOES 1 to 100;)
25 Cross-Defendant.)

Date: April 15, 1994
Time:
Dept: One
Trail Date: 9/29/94

26 _____)
27 Cross-Complainant GERALD ARMSTRONG alleges as follows:
28

PARTIES

1
2 1. Cross-Complainant GERALD ARMSTRONG, hereinafter,
3 "ARMSTRONG," is a resident of Marin County, California.

4 2. Cross-Defendant CHURCH OF SCIENTOLOGY
5 INTERNATIONAL, hereinafter "CSI" or is a corporation organized and
6 existing under the laws of the State of California, having
7 principal offices and places of business in California and doing
8 business within the State of California within the territorial
9 jurisdiction of this Court.

10 3. Cross-Defendant DAVID MISCAVIGE, hereinafter
11 "MISCAVIGE," is an individual domiciled in the State of
12 California.

13 4. At all times herein mentioned, each Cross-Defendant
14 was the agent, employee or coconspirator of each of the remaining
15 Cross-Defendants, and in doing the things herein mentioned, each
16 Cross-Defendant was acting within the course and scope of its
17 employment and authority as such agent and/or representative
18 and/or employee and/or coconspirator, and with the consent of the
19 remaining Cross-Defendants.

20 5. CSI is subject to a unity of control, and the its
21 corporate structure was created as an attempt to avoid payment of
22 taxes and civil judgments and to confuse courts and those seeking
23 redress for these Cross-Defendants' acts. Due to the unity of
24 personnel, commingling of assets, and commonality of business
25 objectives, these Cross-Defendants' attempts at separation of
26 these corporations should be disregarded.

27 6. The designation of CSI as a "church" or religious
28 entity is a sham contrived to exploit the protection of the First

1 Amendment of the United States Constitution and to justify their
2 criminal, and tortious acts against ARMSTRONG and others. Cross-
3 Defendant corporation is part of an international, money-making,
4 criminally motivated enterprise which subjugates and exploits its
5 employees and customers with coercive psychological techniques,
6 threat of violence and blackmail. CSI and other Scientology
7 corporate entities act as one organization.

8 7. David Miscavige controls and operates Scientology
9 and uses it to enforce his orders and carry out his attacks on
10 groups, agencies or individuals, including the acts against
11 ARMSTRONG alleged herein to the extent there is no separate
12 identity between Miscavige and CSI and any claim of such separate
13 identity should be disregarded.

14 8. Cross-Defendants DOES 1 through 100, inclusive, are
15 sued herein under such fictitious names for the reason that the
16 true names and capacities of said Cross-Defendants are unknown to
17 ARMSTRONG at this time; that when the true names and capacities of
18 said Cross-Defendants are ascertained ARMSTRONG will ask leave of
19 Court to amend this Cross-Complaint to insert the true names and
20 capacities of said fictitiously named Cross-Defendants, together
21 with any additional allegations that may be necessary in regard
22 thereto; that each of said fictitiously named Cross-Defendants
23 claim that ARMSTRONG has a legal obligation to Cross-Defendants by
24 virtue of the facts set forth below; that each of said
25 fictitiously named Cross-Defendants is in some manner legally
26 responsible for the acts and occurrences hereinafter alleged.

27 9. Armstrong was a Scientologist from 1969 until mid-
28 December, 1981. He was drawn into Scientology by representations

1 made by the organization and its founder L. Ron Hubbard
2 ("Hubbard") about his history, achievements, credentials,
3 character and intentions, and the history, credentials, character
4 and intentions of his organization.

5 10. Throughout his years in Scientology, Armstrong remained
6 dedicated to the accomplishment of its claimed and widely
7 publicized "aims":

8 "A civilization without insanity, without
9 criminals and without war, where the able can
10 prosper and honest beings can have rights, and
11 where man is free to rise to greater heights".

12 11. From 1971 Armstrong was a member of the Sea
13 Organization, Scientology's highest administrative echelon which
14 controlled all lower organizations internationally without regard
15 for corporate formality. Sea Organization members have an
16 unconditional reverence for the words of Hubbard, whether true or
17 false, and may not, on penalty of severe punishment, question the
18 truth or falsity of his words.

19 12. Armstrong held several Sea Organization staff positions
20 including legal officer, public relations officer and intelligence
21 officer. He worked personally for Hubbard as a communications
22 aide and in his household staff. Armstrong gained a knowledge of
23 organization structure, control, policies and orders. He gained a
24 knowledge of organization policies and practices regarding
25 "ethics," its system of discipline and punishment, including its
26 ultimate sanction, "fair game," whereby a person who was labelled
27 a "suppressive person" or "enemy":

28 "May be deprived of property or injured by any

1 means by any Scientologist without discipline
2 of the Scientologist. May be tricked, sued or
3 lied to or destroyed."

4 13. At the beginning of 1980 leaders at Sea Organization
5 headquarters at Gilman Hotsprings, California, in anticipation of
6 a raid by law enforcement agencies, ordered a massive shredding of
7 evidence showing Hubbard's control of the organization. In the
8 course of the shredding operation Armstrong discovered several
9 boxes containing Hubbard's personal documentary records.
10 Armstrong petitioned Hubbard to assemble these documents and to
11 search for more personal records to form an archive to be used to
12 create a Hubbard biography. Hubbard approved the petition.

13 14. During his assembly and study of Hubbard's records
14 Armstrong discovered that an alarming number of the organization's
15 and Hubbard's representations about Hubbard's history,
16 achievements, credentials, character and intentions were without
17 basis in fact and, indeed, false ("the misrepresentations").
18 Armstrong brought these discoveries to the attention of
19 organization executives responsible for publications in the hope
20 of bringing the misrepresentations that Scientology systematically
21 disseminated to Scientologists and the world at large into
22 conformity with the truth.

23 15. The response of the organization's leaders to
24 Armstrong's attempt to correct the misrepresentations being
25 disseminated was to label him a security risk and order him to a
26 "security check," an accusatory interrogation using Scientology's
27 electro-psychometer (E-meter) as a lie detector. Armstrong
28 concluded that Hubbard and his organization's leaders did not

1 sincerely seek to accomplish Scientology's stated "aims" but
2 sought unimpeded domination and the acquisition of wealth at the
3 expense of honesty and freedom, to the detriment of their
4 followers, and to the peril of their perceived opponents.
5 Armstrong came to the realization that Hubbard and his
6 organization were dishonest and violent, causing him to terminate
7 his affiliation with them.

8 16. Shortly after Armstrong left the organization it
9 published two "Suppressive Person Declares," naming him a
10 "suppressive person," accusing him of falsely of "crimes" and
11 "high crimes," and thus making him "fair game."

12 17. To protect himself following the publication of the
13 "suppressive persons declares," Armstrong obtained copies of
14 documents showing that Hubbard's and the organization's
15 representations concerning their history, achievements,
16 credentials, character and intentions were false.

17 18. On August 2, 1982 the Scientology organization sued
18 Armstrong for conversion of the subject documents in a case
19 captioned Church of Scientology of California and Mary Sue Hubbard
20 v. Gerald Armstrong, Los Angeles Superior Court case No. C 420153
21 ("Armstrong I"). Armstrong retained Boston, Massachusetts
22 attorney Michael Flynn ("Flynn") and the Woodland Hills,
23 California law firm of Contos & Bunch, to represent Armstrong
24 against the organization.

25 19. Armstrong filed a cross-complaint for fraud, breach of
26 contract and intentional infliction of emotional distress. The
27 cross-complaint was bifurcated from the underlying document case
28 which was tried by Judge Paul G. Breckenridge, Jr. in the spring

1 of 1984.

2 20. Following a 30-day trial, on June, 20, 1984 Judge
3 Breckenridge rendered a decision in favor of Armstrong which held
4 that Hubbard and his organization were antisocial in nature and
5 condemned its practices. He wrote:

6 "In addition to violating and abusing its own
7 members civil rights, the organization over
8 the years with its "Fair Game" doctrine has
9 harassed and abused those persons not in the
10 [organization] whom it perceives as enemies.
11 The organization clearly is schizophrenic and
12 paranoid, and this bizarre combination seems
13 to be a reflection of its founder LRH. The
14 evidence portrays a man who has been virtually
15 a pathological liar when it comes to his
16 history, background and achievements. The
17 writings and documents in evidence
18 additionally reflect his egoism, greed,
19 avarice, lust for power, and vindictiveness
20 and aggressiveness against persons perceived
21 by him to be disloyal or hostile."

22 21. From 1979 Flynn was responsible for much litigation
23 vindicating the rights of individuals injured by Scientology.

24 In a set of cases in Federal Court in Boston, Massachusetts
25 Flynn represented Lucy Garritano, Steven Garritano, Peter Graves,
26 Kim Vashel Hankins, Majorie Hansen, Janet Troy Labanara and
27 Michael Smith.

28 In a set of cases in Federal Court in Tampa, Florida, Flynn

1 represented former mayor of Clearwater, Gabriel Cazares, Nan and
2 John McLean, Tonja Burden and Margery Wakefield.

3 In cases pending in Los Angeles, California Flynn
4 represented, among others, former organization executives Laurel
5 Sullivan ("Sullivan"), William Franks ("Franks"), Howard Schomer
6 ("Schomer"), Edward Walters ("Walters") and Martin Samuels
7 ("Samuels"), all organization contemporaries of Armstrong.

8 22. From the time Flynn began representing individuals and
9 entities in litigations with Scientology the organization labelled
10 him an "enemy" and subjected him to a campaign of "fair game."
11 Acts against Flynn pursuant to the "fair game doctrine" included
12 more than a dozen lawsuits, frivolous bar complaints, theft of
13 records, infiltration of his office, illegal electronic
14 surveillance, defamation, framing with crimes, and attempted
15 assassination. Flynn also brought a lawsuit against Scientology,
16 captioned Michael J. Flynn v. Scientology, United States District
17 Court, Central District of California, Case No. CV 850485-R,
18 seeking damages for the years of fair game acts.

19 23. Flynn would ultimately settle all of the cases in each
20 of the foregoing three blocks when given a large sum of money by
21 Scientology to make such cases "go away."

22 24. In the first half of 1986 plaintiff's attorney Charles
23 O'Reilly tried the case of Larry Wollersheim v. Church of
24 Scientology of California, Los Angeles Superior Court Case No. C
25 332827. After a 95-day trial, the jury awarded a verdict in
26 Wollersheim's behalf in the amount of \$30,000,000.00.

27 25. At this time, Armstrong's cross-complaint, seeking
28 damages for Scientology's "fair game" conduct was set for trial at

1 the beginning of 1987. This conduct included assault, harassment,
2 attempted framing of Armstrong in an alleged plot to "take over"
3 Scientology, filing false criminal charges with the Los Angeles
4 District Attorney, filing false criminal charges with the Boston
5 office of the FBI, filing false declarations, bringing contempt of
6 court proceedings on three occasions based on false charges,
7 making false accusations in internationally published media of
8 crimes including crimes against humanity, and culling and
9 disseminating information from Armstrong's supposedly confidential
10 auditing (psychotherapy) files.

11 26. I am informed and believe and allege thereon that during
12 1986 organization leaders contacted Flynn, offered to discontinue
13 its fair game operations against him and offered him a lump sum of
14 money of several million dollars to settle all the Scientology
15 cases in which he had a role, including his own case, if he would
16 get all the litigants, which included Armstrong, Schomer and
17 Samuels, or claimants, which included Sullivan, Franks and
18 Walters, to sign organization-prepared settlement contracts. In
19 promising the payment of a lump sum to Flynn without specifying
20 what amount was to be applied in settlement of what claims
21 Scientology made Flynn its agent in opposition to the interests of
22 his clients.

23 27. Flynn had multiple conflicts of interest with his
24 Scientology litigation clients which he failed to disclose, and
25 otherwise failed to insure that said clients received proper
26 unconflicted representation. I am informed and believe and allege
27 thereon that he dealt with them separately and threatened that if
28 such persons refused to settle, he would abandon such persons as

1 their lawyer in addition to causing the unavailability of certain
2 critical witnesses. He represented, moreover, that the settlement
3 agreements were legally unenforceable.

4 28. The cases in which Flynn had a role settled in three
5 main blocks. The first block to settle was the Boston cases, the
6 second block was the Florida cases, and third was the Los Angeles
7 cases which settled in December, 1986 in Los Angeles and included
8 among approximately 15 plaintiffs or claimants Armstrong,
9 Sullivan, Franks, Schomer, Walters and Samuels.

10 29. Sullivan had been a long-time Sea Organization member,
11 Hubbard's personal public relations officer for many years, and
12 had played a key part in the corporate restructuring of the
13 organization in order to insulate top management from civil and
14 criminal liability. She testified in the Armstrong I trial, the
15 Wollersheim trial, and the 1985 trial of Julie Christofferson v.
16 Scientology, Circuit Court of the State of Oregon, Multnomah
17 County, No. A7704-05184, in which the jury had awarded a verdict
18 in Christofferson's behalf in the amount of \$39,000,000.00.

19 30. Franks had been a long-time Sea Organization member, the
20 organization's Executive Director International, and had knowledge
21 of organization covert intelligence operations and finances. He
22 had testified in the Christofferson and Wollersheim trials.

23 31. Schomer had been a long-time Sea Organization member, in
24 charge of Hubbard's finances and responsible for transferring
25 Scientology charitable corporation funds to Hubbard's personal
26 accounts. He had testified in the Armstrong I and Christofferson
27 trials.

28 32. Walters had been a long-time Scientology auditor

1 (therapist) and a covert operative for the organization's Guardian
2 Office, the name used until 1982 for its intelligence, legal and
3 public relations bureaus when it became the Office of Special
4 Affairs. Walters had testified in the Armstrong I, Christofferson
5 and Wollersheim trials.

6 33. Samuels had been a long-time Scientology franchise
7 holder and had knowledge of the organization's practice of
8 training its litigation witnesses to lie. He testified in the
9 Christofferson trial.

10 34. Armstrong had testified in the Armstrong I and
11 Christofferson trials and in a Scientology-related custody case in
12 London, England, and in another approximately twenty-five days in
13 depositions in some twelve lawsuits.

14 35. I am informed and believe that each settlement contract
15 contained provisions which called for complete silence regarding
16 Scientology-related experiences, non-assistance to adverse
17 parties, non-disclosure of settlement conditions, prohibition of
18 sworn testimony and avoidance of service of process. Armstrong's
19 settlement contract also contained provisions allowing the
20 organization to appeal from the scathing language of the
21 Breckenridge decision in Armstrong I and preventing Armstrong from
22 opposing any appeals the organization might take. With respect to
23 Scientology's appeal of the Breckenridge decision, Scientology and
24 Flynn entered into two side agreements, undisclosed to Armstrong,
25 which (1) limited any damages awarded on retrial to \$25,000, and
26 (2) guaranteed that Armstrong Scientology would indemnify
27 Armstrong's obligation to pay such judgement, should Scientology
28 obtain reversal of the appeal and prevail upon retrial of the

1 case. The settlement contract also required Armstrong to collude
2 with Scientology with respect to obtaining certain documents that
3 constituted evidence of a conspiracy among Scientology executives
4 and their attorneys to cover up criminal activity and to commit
5 frauds on the Internal Revenue Service and other governmental
6 agencies litigated and reported in United States v. Zolin, Case
7 No. CV 85-0440-HLH(Tx).

8 36. Armstrong contends that the foregoing provisions are
9 designed and intended to suppress evidence and therefore
10 constitute an obstruction of justice thereby rendering the
11 settlement contract unenforceable and void as against public
12 policy.

13 37. Flynn and the other attorneys representing Armstrong and
14 other anti-organization litigants also signed contracts with
15 Scientology which prohibited their representation of anyone
16 including their former anti-organization clients in litigation
17 against the organization.

18 38. Effects of the provisions of such settlement contracts
19 were the stripping of the Flynn-represented parties of their First
20 Amendment rights of Free Speech and the stripping of the public of
21 the right to hear from first-hand sources the truth about
22 Scientology so that there could be free competition in the
23 marketplace of ideas.

24 39. An additional effect of said provisions binding,
25 censoring, suppressing and restraining the Flynn-represented
26 parties' rights to Free Speech was to create an opportunity for
27 Scientology to disseminate manufactured falsehoods in the
28 marketplace of ideas, to obtain an unfair advantage with respect

1 to adversaries in various pending and future litigation, and to
2 control the availability of evidence harmful to it in future
3 litigation.

4 40. The purpose of each of the aforementioned settlement
5 contracts was to effectuate certain objectives, including but not
6 limited to, the following:

7 a. Maximizing Scientology's ongoing assertion and claim
8 that it is a bona fide religion;

9 b. Maximizing its opportunities to cover up its criminal
10 activity, or obtain a First Amendment immunity from having to be
11 accountable for the consequences of its conduct;

12 c. Slandering the reputation of Armstrong for truth and
13 veracity in order to make Scientology's false claims about its
14 nature and practices seem credible by putting Armstrong into a
15 posture where Scientology could lie about Armstrong with impunity
16 because if he spoke out about Scientology, it would sue him into
17 silence based upon the settlement contract.

18 41. Following the December, 1986 settlement, Scientology
19 continued to attack Armstrong pursuant to its "fair game
20 doctrine." Its acts include, but are not limited to, publishing a
21 false and unfavorable description of Armstrong's in a "dead agent"
22 pack relating to writer and anti-Scientology litigant Bent
23 Corydon; filing several affidavits in the case of Church of
24 Scientology of California v. Russell Miller and Penguin Books
25 Limited, case no. 6140 in the High Court of Justice in London
26 England which falsely accused Armstrong of violations of court
27 orders, and falsely labeled him "an admitted agent provocateur of
28 the U.S. Federal Government"; and delivering copies of an edited

1 version of an illegally obtained 1984 videotape of Armstrong to
2 the international media.

3 42. Scientology threatened Armstrong with lawsuits on six
4 occasions if he did not obey its orders to not testify regarding
5 Scientology's dark side, thus aiding and abetting its obstruction
6 of justice in the Miller case, in the case of Bent Corydon v.
7 Scientology, Los Angeles Superior Court No. C 694401, wherein
8 Corydon had subpoenaed Armstrong as a witness, and in the case of
9 Scientology v. Yanny, Los Angeles Superior Court No. C 690211.
10 Scientology also threatened to release Armstrong's confidences,
11 which it had stolen from a friend, if Armstrong did not assist the
12 organization in preventing Corydon from gaining access to the
13 Armstrong I court file.

14 43. In the fall of 1989, right after receiving a series of
15 threats from organization attorney Lawrence Heller, Armstrong, who
16 had not earlier responded to Scientology's post-settlement
17 attacks, concluded that he was being used to obstruct justice and
18 that he had a right and a duty to not obstruct justice.

19 44. In February, 1990 Armstrong petitioned the California
20 Court of Appeal, Second District, Division Three, for permission
21 to file a response in the appeal from the Breckenridge decision
22 that Scientology had been able to maintain in the intervening
23 years. The Court of Appeal granted Armstrong's petition and he
24 filed a respondent's brief. On July 29, 1991 the Court of Appeal
25 issued its opinion, Scientology v. Armstrong, (1991) 232 Cal.App.
26 3d 1060, 283 Cal.Rptr. 917, affirming the Breckenridge decision.

27 45. On October 3, 1991 Scientology filed a motion in
28 Armstrong I to enforce the settlement contract against Armstrong,

1 claiming that the contract had been approved by Judge
2 Breckenridge. On December 23, 1991 Judge Bruce R. Geernaert
3 denied the motion, ruling that Judge Breckenridge had not been
4 shown the contract. He also said:

5 "[T]hat is ... one of the most ambiguous, one-sided
6 agreements I have ever read. And I would not have
7 ordered the enforcement of hardly any of the terms had I
8 been asked to, even on the threat that, okay, the case
9 is not settled. I know we like to settle cases. But we
10 don't like to settle cases and, in effect, prostrate the
11 court system into making an order which is not fair or
12 in the public interest."

13 46. Scientology's actual purpose in bringing said motion was
14 to obstruct justice, suppress evidence, slander Armstrong;'s
15 reputation, retaliate against him for exercising his rights, and
16 to make an example of him so that knowledgeable witnesses who had
17 been betrayed in the settlement with the organization would
18 continue to be scared into silence.

19 47. On February 4, 1992 Scientology filed a lawsuit
20 captioned Church of Scientology v. Gerald Armstrong, Marin
21 Superior Court Case No. 152229 ("Armstrong II") claiming it was
22 seeking liquidated damages for alleged contract breaches and
23 asking for injunctive relief. The case was transferred to Los
24 Angeles Superior Court and given Case No. BC 052395. On May 27,
25 1992 at a hearing on Scientology's motion for a preliminary
26 injunction Judge Ronald M. Sohigian, who refused to enforce
27 certain of the settlement contract's provisions regarding
28 restraints on Armstrong's rights to Freedom of Speech, stated:

1 "The information (Armstrong's experiences inside the
2 Scientology organization) that's being suppressed in
3 this case, however, is information about extremely
4 blame-worthy behavior of [the Scientology organization]
5 which nobody owns; it is information having to do with
6 the behavior of a high degree of offensiveness and
7 behavior which is meritorious in the extreme.

8 It involves abusing people who are weak. It involves
9 taking advantage of people who for one reason or another
10 get themselves enmeshed in this extremist view in a way
11 that makes them unable to resist it apparently. It
12 involves using techniques of coercion."

13 Judge Sohigian did, however, prohibit Armstrong from voluntarily
14 giving sworn testimony on behalf of private individual plaintiffs
15 with contemplated or pending claims against Scientology or
16 assisting such persons with his special knowledge of Scientology.
17 Armstrong II is presently stayed pending the outcome of an appeal
18 from the Sohigian ruling.

19 48. On July 8, 1993, after Armstrong II was stayed
20 Scientology filed a lawsuit captioned Church of Scientology
21 International v. Gerald Armstrong & The Gerald Armstrong
22 Corporation, Los Angeles Superior Court Case No. BC 084642
23 ("Armstrong III") claiming again that it was seeking liquidated
24 damages for alleged contract breaches and asking for injunctive
25 relief. Armstrong III has also been stayed pending the outcome of
26 the appeal from the Sohigian ruling.

27 49. On July 23, 1993, Scientology filed a lawsuit captioned
28 Church of Scientology International v. Gerald Armstrong, Michael

1 Walton & The Gerald Armstrong Corporation, Marin Superior Court
2 Case No. 157680 ("Armstrong IV") claiming to be a creditor of
3 Armstrong and alleging a conspiracy to defraud it of liquidated
4 damages it claimed were owed by Armstrong.

5 50. Scientology's actual purpose in filing and prosecuting
6 Armstrong II, III and IV was to obstruct justice, suppress
7 evidence, assassinate Armstrong's reputation, retaliate against
8 him for exercising his rights, use the discovery process for
9 gathering intelligence on its enemies, and to make an example of
10 Armstrong so that knowledgeable witnesses who had been betrayed in
11 the settlement with the organization would continue to be scared
12 into silence.

13 51. Armstrong IV is a part of Scientology's use of
14 litigation as war against its targeted "enemies" and our justice
15 system itself. Scientology's tactics in its use of litigation as
16 war include causing its opposition to do needless work, needlessly
17 driving up costs to its opposition, ignoring the truth, senseless
18 relitigation of already decided issues, perjury, destruction and
19 hiding of evidence, intimidation of witnesses, intimidation of
20 opposing counsel, and intimidation of judges.

21 52. Indeed, United States District Court Judge James M.
22 Ideman wrote in a declaration he executed June 17, 1993 and filed
23 in the United States Court of Appeals:

24 "[Scientology] has recently begun to harass my former
25 law clerk who assisted me on this case, even though she
26 now lives in another city and has other legal
27 employment. This action, in combination with other
28 misconduct by counsel over the years has caused me to

1 reassess my state of mind with respect to the propriety
2 of my continuing to preside over the matter. I have
3 concluded that I should not.

4 [Scientology's] non-compliance (with Court orders) has
5 consisted of evasions, misrepresentations, broken
6 promises and lies, but ultimately with refusal. As part
7 of this scheme to not comply [Scientology has]
8 undertaken a massive campaign of filing every
9 conceivable motion (and some unconceivable) (Judge
10 Ideman's parens.) to disguise the true issues in these
11 pretrial proceedings. Apparently viewing litigation as
12 war, plaintiffs by this tactic have had the effect of
13 massively increasing costs to the other parties, and,
14 for a while, to the Court.

15 Yet it is almost all puffery -- motions without merit or
16 substance."

17 53. The Armstrong IV complaint, and all of Scientology's
18 papers filed in the case, constitute an abuse of process because
19 it is intended to support Scientology's strategy of retributive
20 litigation in furtherance of its plan and scheme to obstruct
21 justice and to suppress evidence by making an example of Armstrong
22 in order to intimidate other persons who are knowledgeable about
23 Scientology from coming forward and speaking the truth.
24 Scientology's filing and litigation of Armstrong IV is in
25 conformity with its express policy specifying the improper use of
26 litigation. Said policy, in part, is stated as follows:

27 "The purpose of the suit is to harass and discourage
28 rather than to win. [¶] The law can be used very

1 easily to harass, and enough harassment on somebody who
2 is simply on the thin edge anyway...will generally be
3 sufficient to cause his professional decease. If
4 possible, of course, ruin him utterly. "

5 FIRST CAUSE OF ACTION

6 (For Abuse of Process Against All Cross-Defendants)

7 54. Cross-complainant Armstrong realleges paragraphs 1
8 through 53, inclusive and incorporates them by reference herein as
9 though fully set forth.

10 55. Cross-defendants, and each of them, have abused the
11 process of this court in a wrongful manner, not proper in the
12 regular conduct of proceedings, to accomplish purposes for which
13 said proceedings were not designed, specifically obstruction of
14 justice, suppression of evidence, assassination of Armstrong's
15 reputation, retaliation against him for exercising his rights,
16 gathering intelligence on its enemies, and making an example of
17 Armstrong so that knowledgeable witnesses who had been betrayed in
18 the settlement with the organization would continue to be scared
19 into silence.

20 56. Cross-defendants, and each of them, acted in this
21 litigation with an ulterior motive to obstruct justice, suppress
22 evidence, assassinate Armstrong's reputation, retaliate against
23 him for exercising his rights, use the discovery process for
24 gathering intelligence on its enemies, and to make an example of
25 Armstrong so that knowledgeable witnesses who had been betrayed in
26 the settlement with the organization would continue to be scared
27 into silence.

28 57. Defendants, and each of them, have abused the process of

1 this court in a wrongful manner, not proper in the regular conduct
2 of the proceedings in Armstrong IV and in other litigation, to
3 accomplish a purpose for which said proceedings were not designed,
4 specifically, the suppression of evidence, the obstruction of
5 justice, the assassination of cross-complainant's reputation, and
6 retaliation against said cross-complainant for prevailing at trial
7 in Armstrong I, and for continuing to publicly speak out on the
8 subject of Scientology, all so as to be able to attack cross-
9 complainant and prevent cross-complainant from being able to take
10 any effective action to protect himself.

11 58. Defendants, and each of them, acted with an ulterior
12 motive to suppress evidence, obstruct justice, assassinate cross-
13 complainant's reputation, suppress ARMSTRONG's First Amendment
14 rights, and to retaliate against cross-complainant in said
15 litigation.

16 59. That defendants, and each of them, have committed
17 willful acts of intimidation, threats, and submission of false and
18 confidential documents not authorized by the process of
19 litigation, and not proper in the regular conduct of litigation.

20 60. On February 19, 1992, shortly after Scientology filed
21 Armstrong II, Armstrong's attorney therein, Ford Greene, wrote to
22 Scientology's attorney, Laurie Bartilson, requesting that, for the
23 purpose of Armstrong's defense, Scientology release Armstrong's
24 former attorneys, Michael Flynn, Bruce Bunch and Julia Dragojevic,
25 from contracts by which Scientology prohibited them, on threat of
26 fair game, from assisting Armstrong against Scientology's charges.
27 The assistance of said attorneys was necessary because each had
28 represented Armstrong throughout the Armstrong I litigation and

1 had participated as Armstrong's agents in the 1986 settlement
2 negotiations with Scientology which resulted in the subject
3 settlement agreement Scientology sought to enforce in Armstrong
4 II.

5 61. On February 24, 1992, Greene wrote to Bartilson,
6 requesting that, for the purpose of Armstrong's defense,
7 Scientology release the individuals, including Sullivan, Franks,
8 Schomer, Walters and Samuels, who had signed Scientology's
9 "settlement agreements" around the same time as Armstrong, from
10 said agreements which prohibited them, on threat of fair game,
11 from assisting Armstrong against Scientology's charges. The
12 assistance of said individuals, all of whom had been represented
13 by Flynn, was necessary because Scientology claimed in Armstrong
14 II that they had each signed and agreed to settlement agreements
15 substantially similar to Armstrong's; yet each had been advised by
16 Flynn that the prohibitory clauses in said settlement agreements
17 were unenforceable. Each witness would support Armstrong's
18 defense that Scientology had obtained their signatures on said
19 unenforceable contracts by subjecting them and their attorney to
20 fair game. Releases were necessary as well because Armstrong did
21 not have and does have any money to pay for service of deposition
22 subpoenas, deposition transcripts and related travel costs for
23 these witnesses, himself or his attorney.

24 62. On March 2, 1992 Bartilson wrote to Greene refusing to
25 release either Armstrong's former attorneys or any of the
26 "settling" individuals, including Sullivan, Franks, Schomer,
27 Walters and Samuels, from the contracts by which Scientology
28 prevented them from assisting Armstrong.

1 63. On March 25, 1994 Judge Gary W. Thomas issued an order
2 in Armstrong IV sustaining plaintiff's demurrer stating, inter
3 alia, "As to the first cause of action for declaratory relief,
4 cross complainant seeks a declaration of issues which will be
5 determined in the Los Angeles Superior Court actions
6 (enforceability of settlement contract) or in the underlying
7 complaint (ability of plaintiff to recover under the Uniform
8 Fraudulent Conveyance Act)."

9 64. On March 30, 1994 Greene wrote to Bartilson requesting
10 that, for the purpose of Armstrong's defense in Armstrong IV,
11 Scientology release Armstrong's former attorneys, Michael Flynn,
12 Bruce Bunch and Julia Dragojevic, and the settling individuals,
13 including Sullivan, Franks, Schomer, Walters and Samuels, from
14 said contracts by which Scientology prohibited them, on threat of
15 fair game, from assisting Armstrong against Scientology's charges
16 in Armstrong IV. The assistance of said attorneys and individuals
17 was necessary for the reasons set forth above in paragraphs 60 and
18 61.

19 65. On April 4, 1994 Bartilson wrote to Greene refusing to
20 release either Armstrong's former attorneys or any of the
21 "settling" individuals, including Sullivan, Franks, Schomer,
22 Walters and Samuels, from the contracts by which Scientology
23 prevented them from assisting Armstrong in the Armstrong IV
24 litigation.

25 66. Without Scientology's specific release of witnesses with
26 knowledge of the facts surrounding the settlement agreement on
27 which Scientology bases Armstrong IV even subpoenaing said
28 witnesses for deposition will not free them from Scientology's

1 fair game threat to provide honest testimony. Indeed Howard
2 Schomer was so intimidated by Scientology's threats of litigation
3 should he testify even pursuant to a subpoena that when he was
4 subpoenaed to a deposition in the Corydon case in 1990 he allowed
5 one of Scientology's own lawyers to represent him and altered his
6 previous sworn testimony to suit Scientology.

7 67. Scientology's refusal to release of said attorneys and
8 individuals, on whom Armstrong depends for his defense of
9 Scientology's claims in the underlying complaint in Armstrong IV,
10 to be able to freely testify by means of declaration or
11 deposition, when coupled with Scientology's continual threat of
12 fair game should any these knowledgeable attorneys or individuals
13 testify, is a willful act in the use of the legal process not
14 proper in the regular conduct of this or any proceeding in our
15 justice system. Its purpose is obstruction of justice and
16 destruction of evidence so as to gain an illicit advantage in the
17 Armstrong IV litigation, as well as to needlessly to run up
18 Armstrong's costs so as to crush him economically.

19 68. On August 3, 1993, shortly after filing the underlying
20 Armstrong IV complaint, Scientology recorded a lis pendens on the
21 real property situated in Marin County known as 707 Fawn Drive and
22 owned by Michael and Solina Walton. Scientology was not entitled
23 by law to record said lis pendens. Moreover, the value of the
24 property encumbered by said lis pendens far exceeded the amount of
25 Scientology's legitimate claim, which is zero. The Waltons made
26 several requests of Scientology that it remove the improper lis
27 pendens, and Scientology refused, forcing the Waltons to bring a
28 motion for an order of expungement. The forcing of the Waltons to

1 bring a motion to achieve the expungement of the lis pendens to
2 which Scientology was not entitled was a willful act improper in
3 the regular conduct of the Armstrong IV proceeding, for the
4 purposes of threatening Armstrong's friends, the Waltons, causing
5 them problems and pushing up their costs in the litigation
6 unnecessarily, so as to drive a wedge between the Waltons and
7 Armstrong, to isolate Armstrong and to retaliate against him for
8 exercising his rights by attacking his friends. Cost to the
9 Waltons to obtain the expungement of said improper lis pendens is
10 over \$8000.00. On October 29, 1993 the Court ordered said lis
11 pendens expunged and ordered Scientology to pay \$3514.00 of the
12 Waltons' costs by December 1, 1993, which orders Scientology did
13 not appeal. As of this date Scientology has not paid this amount
14 to the Waltons and continues to refuse to pay. Such refusal is a
15 willful act for the illicit purposes of intimidation, causing the
16 Waltons and Armstrong more trouble and pushing up the costs of
17 this litigation even more.

18 69. On February 8, 1994, Scientology leader and cross-
19 defendant herein David Miscavige executed a declaration which
20 concerned Armstrong and which was filed in the case of Scientology
21 v. Fishman & Geertz, United States District Court for the Central
22 District of California Case No. CV 91-6425 HLH(Tx). In said
23 declaration Miscavige falsely accused Armstrong of various acts
24 relating to his experiences with Scientology prior to the 1986
25 settlement. On February 22 Armstrong executed a declaration for
26 filing in the Fishman case to correct the falsehoods in
27 Miscavige's declaration concerning his Scientology-related
28 experiences. Prior to responding to the Miscavige declaration

1 Armstrong had executed no declaration for use in the Fishman case.
2 On April 5, 1994, Scientology amended its complaint in Armstrong
3 II to add a claim for \$50,000.00 in liquidated damages for
4 Armstrong's execution of February 22 declaration. Miscavige and
5 Scientology filed the false declaration about Armstrong in Fishman
6 to goad and lure him into responding to correct the record and
7 then use his response to puff up the liquidated damages on which
8 Scientology bases its claim of damages in Armstrong IV so as to be
9 able to use that litigation as a vehicle to accomplish its actual
10 purposes of obstruction of justice, suppression of evidence,
11 assassination of Armstrong's reputation, retaliation against him
12 for exercising his rights, use of the discovery process for
13 gathering intelligence on its enemies, and making an example of
14 Armstrong so that knowledgeable witnesses who had been betrayed in
15 the settlement with the organization would continue to be scared
16 into silence. All other liquidated damages claims on which
17 Scientology bases Armstrong IV are similarly baseless and the
18 result of Scientology's and Miscavige's own wrongful acts.

19 70. I am informed and believe and allege thereon that on or
20 about March 30, 1994 Scientology, pursuant to L. Ron Hubbard's
21 policies of fair game and "black propaganda," disseminated
22 internationally a publication which defames Armstrong by falsely
23 accusing him of crimes and perversions, impugns his character with
24 falsehoods and innuendo, and purports to describe his pre-
25 settlement experiences with the Scientology organization. I am
26 informed and believe and allege thereon that the actual source of
27 said publication is David Miscavige. One of the purposes of said
28 publication is to goad or lure Armstrong into responding to clear

1 his name of Miscavige's and Scientology's lies. Scientology will
2 then claim it is due liquidated damages in order to pad the claims
3 on which it bases Armstrong IV. If Armstrong does not respond in
4 order to refute Miscavige's and Scientology's lies and clear his
5 name Miscavige and Scientology will claim that Armstrong, who
6 himself received a copy of said publication in Scientology's
7 international mailing, admits the truthfulness of said lies. The
8 actual purposes of Scientology's willful act in disseminating said
9 publication during the litigation of Armstrong IV are the
10 assassination of Armstrong's reputation, retaliation against him
11 for exercising his rights, and making an example of Armstrong so
12 that knowledgeable witnesses who had been betrayed in the
13 settlement with the organization would continue to be scared into
14 silence. Said publication is a vehicle Scientology is using to
15 improperly inject into the Armstrong IV litigation false
16 statements about Armstrong which have no connection to or logical
17 relation to the action and are not made to achieve the objects of
18 that litigation. Said publication contains, moreover, a
19 description of a document which was illegally obtained by
20 Scientology, and which was specifically sealed by Judge
21 Breckenridge in the Armstrong I litigation. Scientology's use of
22 said document in violation of an order of the Los Angeles Superior
23 Court to effectuate its injection into the Armstrong IV litigation
24 for the purpose of assassinating Armstrong's reputation is a
25 willful act improper in the regular conduct of this or any other
26 proceeding.

27 71. Throughout the Armstrong IV litigation Scientology has
28 made knowingly false and defamatory statements about Armstrong for

1 the purpose of assassinating his reputation, rather than to
2 achieve the legitimate objects, if any, of the litigation. These
3 include the lies that Armstrong has or had a history of fomenting
4 litigation against Scientology, that for years he displayed an
5 intense and abiding hatred for Scientology, and that he had
6 extorted money from Scientology as the price of his signature on
7 the subject settlement agreement. None of these statements is
8 true and none are reasonably related to the objects of the
9 Armstrong IV litigation, namely the setting aside of what
10 Scientology alleges are fraudulent transfers by Armstrong.

11 72. While litigating Armstrong IV, which Scientology bases
12 on Armstrong's alleged breaches of the 1986 settlement agreement,
13 Scientology has itself refused to be bound by the same agreement.
14 Scientology's refusal includes its unilateral rejection of the
15 prevailing party fees and costs provision in paragraph 20 of the
16 agreement. Since December, 1991 Scientology has owed Armstrong
17 over \$20,000.00 in fees and costs from his successful defense of
18 Scientology's motion to enforce the settlement agreement in
19 Armstrong I. Scientology continues to refuse to pay said fees and
20 costs due and continues to reject its own prevailing party fees
21 and costs settlement agreement provision, while prosecuting the
22 baseless and costly Armstrong IV litigation. Said refusal to be
23 bound by its own contract is an improper willful act for the
24 purposes of intimidation, destroying Armstrong financially,
25 retaliation against him for exercising his rights, and making an
26 example of him so that knowledgeable witnesses who had been
27 betrayed in the settlement with the organization would continue to
28 be scared into silence.

1 73. Scientology bases all of its allegations relating to
2 fraudulent conveyances in Armstrong IV solely on the deposition
3 testimony of Armstrong and Walton in the Armstrong II litigation.
4 Yet there is not one word in that testimony to support
5 Scientology's allegations. Armstrong and Walton, on the other
6 hand, have provided from the beginning of the Armstrong IV
7 litigation overwhelming, detailed documentary proof of the non-
8 fraudulent nature of all of Armstrong's conveyances Scientology
9 claims it seeks in this action to set aside. In order to continue
10 to prosecute Armstrong IV Scientology refuses to acknowledge this
11 overwhelming proof. By refusing to acknowledge this proof and
12 maintaining the charade of legitimacy in its allegations
13 Scientology has through the discovery process in Armstrong IV
14 obtained Armstrong's and Walton's personal and detailed financial
15 records. The purposes for Scientology's use of the discovery
16 process to obtain such records in this case are to feed its
17 intelligence gathering apparatus, intimidation and retaliation.
18 Faced as Scientology is with the fact that all of Armstrong's
19 conveyances were non-fraudulent all of its acts in continuing to
20 prosecute Armstrong IV constitute an ongoing abuse of process.

21 74. Throughout the Armstrong IV litigation Armstrong and
22 Walton have made several attempts to get Scientology to meet and
23 communicate for the purpose of resolving the action without
24 further litigation and greater cost, and each attempt Scientology
25 has refused to acknowledge. Armstrong and Walton have, moreover,
26 made several requests that Scientology dismiss the litigation, and
27 Scientology has refused each request. Having no basis in reality
28 for the Armstrong IV complaint Scientology prosecutes this case

1 for improper purposes, and its acts in refusing to meet and
2 communicate and refusing to dismiss the case constitute an abuse
3 of process. Scientology's purpose in its refusals to resolve its
4 meritless Armstrong IV case is to be able to maintain it as a
5 vehicle for its actual and illicit motives: obstruct justice,
6 destroy evidence, gain an unfair advantage in all of its
7 litigations, feed its intelligence appetite, crush Armstrong
8 economically, destroy him emotionally, assassinate his reputation,
9 retaliate against him for daring to live his own life and stand up
10 to Scientology's suppression, make an example of him as a message
11 to anyone else who might dare to stand up to its suppression, and
12 intimidate the legal community.

13
14
15 75. Cross-complainant has suffered damage, loss and harm,
16 including but not limited to his reputation, his emotional
17 tranquillity, and privacy.

18 76. That said damage, loss and harm was the proximate and
19 legal result of the use of such legal process.

20 PRAYER

21 WHEREFORE, cross-complainant seeks relief as is hereinafter
22 pleaded.

23 ON THE FIRST CAUSE OF ACTION

- 24 1. For general and compensatory damages according to proof.
25 2. For attorney's fees and costs of suit.
26 3. For such other and further relief as the Court may deem
27 just and proper.

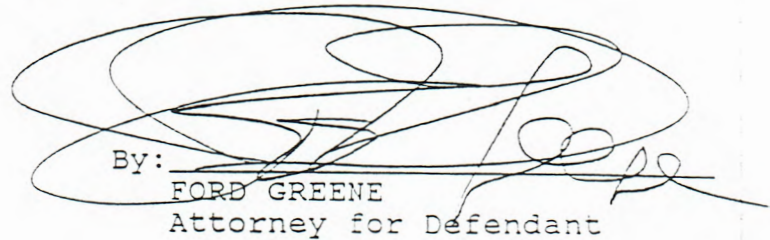
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Respectfully submitted,

DATED: April 15, 1994

HUB LAW OFFICES




By: _____
FORD GREENE
Attorney for Defendant

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VERIFICATION

I, the undersigned, am the cross-complainant in the above entitled action. I know the contents of the foregoing First Amended Cross-Complaint I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on the April 15, 1994 at San Anselmo, California.

By: 
GERALD ARMSTRONG

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PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: FIRST VERIFIED AMENDED CROSS-COMPLAINT FOR ABUSE OF PROCESS on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard
Suite 2000
Los Angeles, California 90028

MICHAEL WALTON
P.O. Box 751
San Anselmo, California 94960

(By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: April 15, 1994

L. CHRISTIANSON
A. WILSON 54-0938 253-3001

F 456-5318

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA
CIVIL CALENDAR AND MINUTES

RULINGS

DATE: FRI. JUNE 17, 1994 TIME: 9:00 REPORTER: J. KNETZGER
OPPOSITION DUE: 6/10/94 JUDGE: GARY W. THOMAS CLERK: J. BENASSINI
REPLY DUE: 6/15/94 DEPT. NO. 1 COMPLETED: _____

CASE NO.	TITLE OF ACTION	PROCEEDING	ATTORNEY
18) 157680	CHURCH OF SCIENTOLOGY INTL. V GERALD ARMSTRONG, ET AL	463-4395	

THE DEMURRER TO THE SECOND AMENDED CROSS-COMPLAINT ON THE GROUND OF FAILURE TO STATE FACTS SUFFICIENT TO CONSTITUTE A CAUSE OF ACTION IS OVERRULED. THE COURT AGREES THAT THE MAJORITY OF THE ALLEGATIONS ARE INSUFFICIENT AS WILL BE SHOWN BELOW. HOWEVER, TWO ALLEGATIONS SURVIVE CROSS-DEFENDANT'S CHALLENGE. IN PARAGRAPH 69, CROSS-COMPLAINANT ALLEGES THE FILING OF A FALSE DECLARATION IN A FEDERAL DISTRICT COURT ACTION. CONTRARY TO CROSS-DEFENDANT'S ARGUMENT, IT CANNOT BE DETERMINED FROM THE FACE OF THE COMPLAINT OR JUDICIALLY NOTICED MATTERS THAT THE ABSOLUTE JUDICIAL PRIVILEGE APPLIES. ALTHOUGH CROSS-DEFENDANT PROVIDES A COPY OF THE DECLARATION, THE COURT CANNOT NOTICE THE TRUTH OF STATEMENTS MADE IN THAT DECLARATION. (SEE SOSINSKY V. GRANT (1992) 6 CAL.APP.4TH 1548, 1564.) EVEN IF THE COURT COULD JUDICIALLY NOTICE THE TRUTH OF THE DECLARATION, CROSS-DEFENDANT HAS FAILED TO SHOW HOW STATEMENTS ABOUT CROSS-COMPLAINANT, A NON-PARTY TO THAT ACTION, WERE MADE TO ACHIEVE THE OBJECTS OF THE LITIGATION OR WERE RELEVANT OR CONNECTED. IN PARAGRAPH 73, CROSS-COMPLAINANT ALLEGES USE OF THE DISCOVERY PROCESS TO OBTAIN INFORMATION FOR IMPROPER PURPOSES. CROSS-DEFENDANT'S PRIVILEGE ARGUMENT FAILS IN THAT THE ALLEGATION DOES NOT INVOLVE COMMUNICATION. THE ALLEGATIONS SUPPORTS A CLAIM OF ABUSE OF PROCESS. (SEE YOUNGER V. SOLOMON (1974) 38 CAL.APP.3D 289, 296-298.) THE REMAINING ALLEGATIONS ARE DEFICIENT AS FOLLOWS:

¶59 - CONCLUSORY

¶¶60-62 - BACKGROUND ALLEGATIONS. OTHERWISE BARRED BY STATUTE OF LIMITATIONS. (KAPPEL V. BARTLETT (1988) 200 CAL.APP.3D 1457, 1467.)

¶¶64-67 - NO USE OF "PROCESS." ALLEGATIONS DO NOT SHOW ACTION TAKEN PURSUANT TO JUDICIAL AUTHORITY OR WITH REFERENCE TO THE POWER OF THE COURT. (SEE ADAMS V. SUPERIOR COURT (1992) 2 CAL.APP.4TH 521, 530.)

¶68 - NO ACTION TAKEN AGAINST CROSS-COMPLAINANT.

¶69 (ALLEGATION RE: PURSUIT OF LIQUIDATED DAMAGES) - MERE MAINTENANCE OF LAWSUIT FOR IMPROPER PURPOSE IS NOT AN ABUSE OF PROCESS. (OREN ROYAL OAKS VENTURE V. GREENBERG, BERNHARD, WEISS & KARMA, INC. (1986) 42 CAL.3D 1157, 1169.)

SUPERIOR COURT, MARIN COUNTY, CALIFORNIA
CIVIL CALENDAR AND MINUTES

RULINGS

DATE: FRI. JUNE 17, 1994 TIME: 9:00 REPORTER: J. KNETZGER
OPPOSITION DUE: 6/10/94 JUDGE: GARY W. THOMAS CLERK: J. BENASSINI
REPLY DUE: 6/15/94 DEPT. NO. 1 COMPLETED: _____

CASE NO.	TITLE OF ACTION	PROCEEDING	ATTORNEY
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18) 157680 CONTINUED: CHURCH OF SCIENTOLOGY V. ARMSTRONG

¶170-72 - NO USE OF "PROCESS."

¶73 (ALLEGATION RE: REFUSAL TO ACKNOWLEDGE PROOF) - NO USE OF "PROCESS."

¶74 - PURSUIT OF LITIGATION FOR IMPROPER PURPOSE NOT AN ABUSE OF PROCESS. (OREN ROYAL OAKS VENTURE, SUPRA, 42 CAL.3D AT 1169.)

THE DEMURRER ON THE GROUND OF ANOTHER ACTION PENDING IS OVERRULED. THE CLAIMS IN THIS ACTION ARE NOT IDENTICAL TO THOSE IN THE LOS ANGELES ACTIONS IN THAT THE CLAIMS IN THIS ACTION INVOLVE CROSS-DEFENDANT'S CONDUCT IN THIS ACTION, NOT THE LOS ANGELES ACTIONS.

THE MOTION TO STRIKE IS GRANTED AS TO PARAGRAPHS 9 THROUGH 54. THOSE ALLEGATIONS ARE BACKGROUND AND ARE NOT ESSENTIAL TO THE STATEMENT OF CROSS-COMPLAINANT'S ABUSE OF PROCESS CLAIM. (CODE CIV. PROC., § 431.10.)

FILED

JUL 23 1993

HOWARD HANSON
MARIN COUNTY CLERK
"C. HARDING DEPT"

1 Andrew H. Wilson
2 WILSON, RYAN & CAMPILONGO
3 235 Montgomery Street
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10 Hollywood, CA 90028
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12 Attorneys for Plaintiff
13 CHURCH OF SCIENTOLOGY
14 INTERNATIONAL

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF MARIN

17 CHURCH OF SCIENTOLOGY	)	CASE NO.
18 INTERNATIONAL, a California not-)	
19 for-profit religious corporation,	)	VERIFIED COMPLAINT TO SET
	)	ASIDE FRAUDULENT TRANSFERS
	)	AND FOR DAMAGES; CONSPIRACY
20 Plaintiff,)	
	)	[C.C. §§ 3302,
21 vs.	)	3439.07(a)(1), (3)]
)	
22 GERALD ARMSTRONG; MICHAEL WALTON;	)	DATE:
23 THE GERALD ARMSTRONG CORPORATION,	)	TIME:
24 a California for-profit	)	DEPT:
25 corporation; DOES 1 through 100,)	
26 inclusive,)	
	)	DISCOVERY CUT-OFF: None
27 Defendants.	)	MOTION CUT-OFF: None
	)	TRIAL DATE: None

28 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and
29 Bowles & Moxon, for its Complaint, alleges:

NATURE OF THE ACTION

1. In December, 1986, plaintiff and defendant Gerald
Armstrong ("Armstrong") entered into a settlement agreement ("the
Agreement"). The Agreement provided for a mutual release and

1 waiver of all claims arising out of a cross-complaint which
2 defendant Armstrong had filed in the case of Church of
3 Scientology of California v. Gerald Armstrong, Los Angeles
4 Superior Court No. C 420153. Armstrong, a former Church member
5 who sought, by both litigation and covert means, to disrupt the
6 activities of his former faith, displayed through the years an
7 intense and abiding hatred for the Church, and an eagerness to
8 annoy and harass his former co-religionists by spreading enmity
9 and hatred among members and former members. Plaintiff sought,
10 with the Agreement, to end all of Armstrong's covert activities
11 against it, along with the litigation itself. For that reason,
12 the Agreement contained carefully negotiated and agreed-upon
13 confidentiality provisions and provisions prohibiting Armstrong
14 from fomenting litigation against plaintiff by third parties.
15 These provisions were bargained for by plaintiff to put an end to
16 the enmity and strife generated by Mr. Armstrong once and for
17 all. The Agreement also provided, inter alia, for liquidated
18 damages to be paid by Armstrong should he choose to breach these
19 provisions.

20 2. In or about February, 1990, Armstrong began to take a
21 series of actions which directly violated provisions of the
22 Agreement. Fearing that plaintiff would seek to collect the
23 liquidated damages owed by his breaches, Armstrong, as set forth
24 below, fraudulently conveyed all of his property, including real
25 property located in Marin County, cash, and personal property to
26 defendants Michael Walton, the Gerald Armstrong Corporation, and
27 Does 1-100, receiving no consideration in return. Thereafter,
28 Armstrong deliberately set out to repeatedly breach the

1 Agreement, incurring a debt which at present totals at least
2 \$1,800,000, and which he has and had no assets to use to satisfy
3 the debt.

4 3. Armstrong's breaches and resulting indebtedness are
5 presently the subject of two actions pending in Los Angeles
6 Superior Court, Church of Scientology International v. Armstrong,
7 LASC No. BC 052395 ("the First Action"), demanding liquidated
8 damages of \$600,000.00 for breaches occurring between July, 1991
9 and May, 1992, and Church of Scientology International v.
10 Armstrong, LASC No. BC 084642 ("the Second Action"), demanding
11 liquidated damages of \$1,200,000.00, for breaches occurring
12 between August, 1991 and June, 1993.

13 **THE PARTIES**

14 4. Plaintiff Church of Scientology International is a non-
15 profit religious corporation incorporated under the laws of the
16 State of California, having its principal offices in Los Angeles,
17 California. Plaintiff CSI is the Mother Church of the
18 Scientology religion.

19 5. Defendant Gerald Armstrong is a resident of Marin
20 County, California.

21 6. Defendant Michael Walton is a resident of Marin County,
22 California.

23 7. Defendant Gerald Armstrong Corporation ("GAC") is a
24 corporation incorporated under the laws of the State of Calif-
25 ornia, having its principal offices in San Anselmo, California.

26 8. Plaintiff is ignorant of the names and capacities of
27 the defendants identified as DOES 1 through 25, inclusive, and
28 thus brings suit against those defendants by their true names

1 upon the ascertainment of their true names and capacities, and
2 their responsibility for the conduct alleged herein.

3 DEFENDANT GAC IS THE ALTER EGO OF

4 DEFENDANT ARMSTRONG

5 9. Defendant Armstrong is GAC's president and sole
6 officer, its principal shareholder and sole employee, and has
7 been since the incorporation of GAC in 1987. Further, defendant
8 Armstrong has the sole and exclusive right to control the
9 corporation's bank account and its disbursement of funds.

10 10. Defendant GAC is, and at all times since its
11 incorporation was, the alter ego of defendant Armstrong. There
12 exists, and at all times since GAC's incorporation has existed, a
13 unity of interest and ownership between these two defendants such
14 that any separateness between them has ceased to exist:

15 Defendant Armstrong caused his own personal assets to be
16 transferred to GAC without adequate consideration in order to
17 evade payment of his lawful obligations, and defendant Armstrong
18 has completely controlled, dominated, managed and operated GAC
19 since its incorporation for his own personal benefit.

20 11. Defendant GAC is, and at all times mentioned was, a
21 mere shell, instrumentality and conduit through which defendant
22 Armstrong carried on his activities in the corporate name exactly
23 as he conducted them previous to GAC's incorporation. Armstrong
24 exercised and exercises such complete control and dominance of
25 such activities that any individuality or separateness of
26 defendant GAC and defendant Armstrong does not, and at all
27 relevant times did not, exist.

28 12. Adherence to the fiction of the separate existence of

1 defendant GAC as an entity distinct from defendant Armstrong
2 would permit an abuse of the corporate privilege and would
3 sanction fraud, in that Armstrong transferred his material assets
4 to GAC in 1988, at the time of his embarkation on the campaign of
5 harassment described herein, and with the intention of preventing
6 plaintiff from obtaining monetary relief from Armstrong pursuant
7 to the liquidated damages clause. Hence, GAC exists solely so
8 that Armstrong may be "judgment proof."

9 THE CONTRACT

10 13. On or about December 6, 1986, CSI and Armstrong entered
11 into a written confidential settlement Agreement, a true and
12 correct copy of which is attached hereto as Exhibit A, and
13 incorporated by reference.

14 14. The Agreement was entered into by plaintiff and
15 defendant Armstrong, with the participation of their respective
16 counsel after full negotiation. Each provision of the Agreement
17 was carefully framed by the parties and their counsel to
18 accurately reflect the agreement of the parties.

19 15. Plaintiff specifically negotiated for and obtained from
20 Armstrong the provisions in the Agreement delineated in
21 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18.
22 Plaintiff took this step because it was well aware, through
23 investigation, that Armstrong had undertaken a series of covert
24 activities, apart from the litigation, which were intended by
25 Armstrong to discredit Church leaders, spark government raids
26 into the Churches, create phony "evidence" of wrongdoing against
27 the Churches, and, ultimately, destroy the Churches and their
28 leadership.

1 16. Paragraph 7(D) of the Agreement provided, in substance,
2 that Armstrong: (1) would not create or publish, or assist
3 another in creating or publishing, any media publication or
4 broadcast, concerning information about plaintiff, L. Ron Hubbard
5 or any other persons or entities released by the Agreement; (2)
6 would maintain "strict confidentiality and silence" with respect
7 to his alleged experiences with plaintiff or any knowledge he
8 might have concerning plaintiff, L. Ron Hubbard, or other
9 Scientology-related entities and individuals; (3) would not
10 disclose any documents which related to plaintiff or other
11 identified entities and individuals; and (4) would pay to
12 plaintiff \$50,000 in liquidated damages for each disclosure or
13 other breach of that paragraph.

14 17. Contemporaneously with the signing of the Agreement,
15 Armstrong represented that he understood the Agreement's
16 provisions and was acting of his own free will and not under
17 duress.

18 18. The Agreement also provided that plaintiff CSI would
19 pay to Armstrong's attorney, Michael Flynn, a lump sum amount
20 intended to settle not just Armstrong's case, but the cases of
21 other clients of Mr. Flynn as well, and that Mr. Flynn would pay
22 to Armstrong a portion of that settlement amount. The exact
23 amount of the portion to be paid to Armstrong by Mr. Flynn was
24 maintained as confidential between Mr. Flynn and Armstrong.

25 19. CSI paid to Mr. Flynn the lump sum settlement amount.

26 20. Mr. Flynn paid to Armstrong his confidential portion of
27 the lump sum settlement amount, which was at least \$520,000,
28 after expenses.

1 21. The consideration paid to Armstrong was fair,
2 reasonable and adequate. Plaintiff CSI has performed all of its
3 obligations pursuant to the Agreement.

4 BREACHES OF THE AGREEMENT

5 22. Beginning in February, 1990, and continuing unabated
6 until the present, Armstrong has breached the Agreement wilfully
7 and repeatedly, including, inter alia, the provisions of
8 Paragraph 7(D) of the Agreement which require Armstrong to pay
9 plaintiff liquidated damages for each such breach.

10 23. In addition to the breaches of the Agreement which
11 invoke the liquidated damages clause, Armstrong has committed
12 additional violations of provisions of the Agreement which
13 entitle plaintiff to compensatory damages according to proof.

14 24. Despite demand by plaintiff, Armstrong has refused to
15 pay any damages, liquidated or compensatory, for the deliberate
16 breaches of the Agreement described herein.

17 25. The breaches described herein are presently the subject
18 of litigation in the First Action and the Second Action, and have
19 not yet been reduced to judgment.

20 FIRST CAUSE OF ACTION

21 TO SET ASIDE FRAUDULENT TRANSFER OF REAL PROPERTY

22 (Against Defendants Gerald Armstrong and Michael Walton)

23 26. Plaintiff realleges paragraphs 1 - 25, inclusive, and
24 incorporates them herein by reference.

25 27. On or about August 24, 1990, defendant Gerald Armstrong
26 was an owner and in possession and control of that real property
27 situated in Marin County known as 707 Fawn Drive, San Anselmo,
28 California, and more particularly described as follows:

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PARCEL ONE

PARCEL TWO as shown upon that certain Parcel Map entitled, "Parcel Map Lands of California Land Title Portion Lands described in book 2887 of Official Records, at page 367, also being Portion of Lots 501 and 501-A unrecorded Map of Sleepy Hollow Acres, Vicinity of San Anselmo, Marin County, California, filed for record April 8, 1976 in Volume 12 of Parcel Maps, at page 43, Marin County Records.

EXCEPTING THEREFROM that portion deeded to Alain Pigois and Nina Pigois, husband and wife, as community property, by Deed recorded February 27, 1989, Serial No. 89 13373.

PARCEL TWO

AN EASEMENT for ingress, egress and public utility purposes described as follows:

BEGINNING at a point on the centerline of Fawn Drive, said point being the most southwesterly corner of Parcel 3, as shown upon that certain map entitled, "Parcel Map Lands of California Land Title Portion Lands described in Book 2887 of Official Records, at page 367, also being a portion of Lots 501 and 501-A, unrecorded Map of Sleepy Hollow Acres, Vicinity of San Anselmo, Marin County, California", filed for record April 9, 1976 in Volume 12 of Parcel Maps, at page 43, Marin County Records, said point also being the intersection of the calls "South 26° 20' East 135 feet and North 63° 40' East 20 feet" as contained in Parcel 2 of the Deed executed by California Land Title Company, a corporation to Michael C. McGuckin, et ux, recorded March 26, 1976 in Book 3010 of Official Records, at page 190, Marin County Records; thence from said point of beginning and along the exterior boundary of said Parcel 3, North 63° 40' East 20 feet; thence North 75° 07' 20" East 164.00 feet; thence leaving said exterior boundary of Parcel 3, North 12° 41' East 85.00 feet; thence North 30° 45' West 126.00 feet, thence North 13° 30' East 79.21 feet to the northwesterly boundary of Parcel 1, as shown upon that certain map referred to hereinabove; thence along the exterior boundary of said Parcel 1, South 84° 00' west 75.70 feet to the most Northerly corner of the parcel of land described in the Deed executed by Charles B. Roertson, et ux, to Paul Hopkins Talbot, Jr., et ux, recorded January 30, 1956 in book 1002 of Official Records, at page 623, Marin County Records; thence 111.77 feet, thence leaving said exterior boundary of Parcel 1, South 18° 45' East 95.06 feet thence South 21° 48' West 70.66 feet; thence South 75° 07' 20" West 160.00 feet to the certline of Fawn Drive; thence along the

1 exterior boundary of said Parcel 3, also being the
2 centerline of "Fawn Drive, South 26° 20' East 34.46
feet to the point of beginning.

3 28. On or about August 24, 1990, defendants Gerald
4 Armstrong and Michael Walton transferred by grant deed the above-
5 described property to defendant Michael Walton. On August 27,
6 1990, the grant deed was recorded in Marin County Official
7 Records as number 90 50497 in the Office of the County Recorder
8 of Marin County, California.

9 29. Plaintiff is further informed and believes and thereon
10 alleges that the transfer was made with an actual intent to
11 hinder, delay or defraud plaintiff in the collection of its
12 damages.

13 30. Further, plaintiff is informed, and believes, and
14 thereon alleges that at the time Armstrong made the transfers, he
15 intended in the future to engage in the conduct in breach of his
16 Agreement with plaintiff, described above, knowing that he would
17 thereby incur the damages described herein and for which he would
18 have rendered himself judgment-proof.

19 31. Defendant Armstrong received no money or other
20 consideration in exchange for the aforementioned transfer.
21 Plaintiff is informed and believes and thereon alleges that at
22 the time of the transfer of the real property defendant
23 Armstrong's interest in the real property was not less than
24 \$397,500.00. Thus, defendant Armstrong did not receive
25 reasonably equivalent value in exchange for his interest in the
26 real property.

27 32. Plaintiff is informed and believes and thereon alleges
28 that defendant Walton received the above-described real property

1 with knowledge that defendant Armstrong intended to (1) hinder,
2 delay or defraud the collection of plaintiff's aforementioned
3 damages and (2) further breach his Agreement with plaintiff,
4 thereby incurring substantial damages which it would be
5 impossible for Armstrong to pay. Defendant Walton had previously
6 advised Armstrong concerning the Agreement and was familiar with
7 its terms and conditions; further, Armstrong had informed
8 defendant Walton of his vendetta against plaintiff and all
9 Churches of Scientology, and of his intentions to breach the
10 Agreement. Moreover, Walton was well aware of the fraudulent
11 nature of the transfer, for which he received no money or other
12 consideration.

13 SECOND CAUSE OF ACTION

14 TO SET ASIDE FRAUDULENT TRANSFER OF ASSETS

15 (Against All Defendants)

16 33. Plaintiff realleges paragraphs 1-25, inclusive, and
17 incorporates them herein by reference.

18 34. On or about August, 1990, defendant Gerald Armstrong
19 was the owner and in possession and control of approximately
20 \$41,500 in cash, and shares of stock in The Gerald Armstrong
21 Corporation which were valued by Armstrong at \$1,000,000.

22 35. On or about August, 1990, Armstrong transferred the
23 \$41,500 in cash and the shares of stock in The Gerald Armstrong
24 Corporation to defendants Walton and Does 1 - 100.

25 36. Plaintiff is further informed and believes and thereon
26 alleges that the transfer was made with an actual intent to
27 hinder, delay or defraud plaintiff in the collection of its
28 damages.

1 37. Further, plaintiff is informed, and believes and
2 thereon alleges that at the time Armstrong made the transfers, he
3 intended in the future to engage in the conduct in breach of his
4 Agreement with plaintiff, described above, knowing that he would
5 thereby incur the damages described herein, and for which he
6 would have rendered himself and his corporation judgment-proof.

7 38. Defendant Armstrong received no money or other
8 consideration in exchange for the aforementioned transfer.
9 Plaintiff is informed and believes and thereon alleges that at
10 the time of the transfer of the cash and stock, defendant
11 Armstrong's interest in the cash and stock was not less than
12 \$1,041,500. Thus, defendant Armstrong did not receive reasonably
13 equivalent value in exchange for his interest in the transferred
14 assets.

15 39. Plaintiff is informed and believes and thereon alleges
16 that defendants Walton and Does 1 -100 received the above-
17 described real property with knowledge that defendant Armstrong
18 intended to (1) hinder, delay or defraud the collection of
19 plaintiff's aforementioned damages; and (2) further breach his
20 Agreement with plaintiff, thereby incurring substantial damages
21 which it would be impossible for Armstrong or his corporation to
22 pay. Defendant Walton had previously advised Armstrong
23 concerning the Agreement and was familiar with its terms and
24 conditions; further, Armstrong had informed defendant Walton and
25 Does 1-100 of his vendetta against plaintiff and all Churches of
26 Scientology, and of his intentions to breach the Agreement.
27 Moreover, Walton and Does 1-100 were well aware of the fraudulent
28 nature of the transfer, for which they received no money or other

1 consideration.

2 THIRD CAUSE OF ACTION

3 CONSPIRACY

4 (Against All Defendants)

5 40. Plaintiff realleges paragraphs 1-32 and 34-39,
6 inclusive, and incorporates them herein by reference.

7 41. As alleged above, in August, 1990, defendants
8 Armstrong, Walton, and Does 1 - 100 agreed, and knowingly and
9 willfully conspired between themselves to hinder, delay and
10 defraud plaintiff in the collection of its damages, and to render
11 Armstrong unable to pay any and all damages to plaintiff which
12 Armstrong had incurred and intended to and did incur in violation
13 of the Agreement.

14 42. Pursuant to this conspiracy, the above-named defendants
15 agreed that Walton and Does 1 - 100 would take ownership and/or
16 possession of all of defendant Armstrong's assets of any value,
17 including the above-described real property, cash and stock and
18 everything remaining from the proceeds of the settlement which
19 Armstrong had accepted from plaintiff pursuant to the Agreement.
20 Further, the defendants conspired and agreed to hide any and all
21 future assets acquired by Armstrong in the sham corporation, The
22 Gerald Armstrong Corporation, in order to protect Armstrong's
23 assets from collection so long as he was breaching the Agreement,
24 and plaintiff was attempting to collect damages for those
25 breaches. Plaintiff is unaware of the present value of those
26 assets which have been so hidden, but is informed and believes
27 and thereon alleges that their value exceeds \$1,800,000, the
28 minimum value of plaintiff's claim.

1 43. Defendants Armstrong, Walton, The Gerald Armstrong
2 Corporation and Does 1 - 100 did the acts and things herein
3 alleged pursuant to, and in furtherance of, the conspiracy and
4 agreement alleged above.

5 44. As a proximate result of the wrongful acts herein
6 alleged, plaintiff has been generally damaged in the sum of
7 \$1,800,000.

8 45. At all times mentioned herein, defendants Walton,
9 Armstrong, The Gerald Armstrong Corporation and Does 1-100 knew
10 of defendant Armstrong's actions and intended actions against
11 plaintiff, knew of Armstrong's resultant obligation to
12 plaintiff, and knew that plaintiff's claims could only be
13 satisfied out of the property, sums and stock transferred by
14 Armstrong. Notwithstanding this knowledge, defendants Walton,
15 Armstrong, The Gerald Armstrong Corporation and Does 1-100
16 intentionally, willfully, fraudulently and maliciously did the
17 things herein alleged to defraud and oppress plaintiff.
18 Plaintiff is therefore entitled to exemplary or punitive damages
19 in the sum of \$3,000,000 against all defendants, individually and
20 severally.

21 WHEREFORE, plaintiff prays for judgment as follows:

22 ON THE FIRST CAUSE OF ACTION

23 1. That the transfer of the real property from defendant
24 Armstrong to defendant Walton be set aside and declared void as
25 to the plaintiff herein to the extent necessary to satisfy
26 plaintiff's claim in the sum of \$1,800,000 plus interest thereon
27 at the maximum rate permitted by law from 1990;

28 2. That defendant Walton be restrained from disposing of

1 the property transferred;

2 3. That a temporary restraining order be granted plaintiff
3 enjoining and restraining defendant Walton, and his
4 representatives, agents, and attorneys from selling,
5 transferring, conveying, or otherwise disposing of any of the
6 property transferred;

7 4. That the judgment herein be declared a lien on the
8 property transferred;

9 5. That an order be made declaring that defendant Walton
10 holds all of the real property described above in trust for
11 plaintiff.

12 6. That defendant Walton be required to account to
13 plaintiff for all profits and proceeds earned from or taken in
14 exchange for the property described above.

15 ON THE SECOND CAUSE OF ACTION

16 1. That the transfer of assets from defendant Armstrong to
17 defendants Walton and Does 1 - 100 be set aside and declared void
18 as to the plaintiff herein to the extent necessary to satisfy
19 plaintiff's claim in the sum of \$1,800,000 plus interest thereon
20 at the maximum rate permitted by law from 1990;

21 2. That defendants Walton, The Gerald Armstrong
22 Corporation and Does 1 - 100 be restrained from disposing of the
23 property transferred;

24 3. That a temporary restraining order be granted plaintiff
25 enjoining and restraining defendants Walton, The Gerald Armstrong
26 Corporation and Does 1 - 100, and their representatives, agents,
27 and attorneys from selling, transferring, conveying, or otherwise
28 disposing of any of the property transferred;

1 4. That the judgment herein be declared a lien on the
2 property transferred;

3 5. That an order be made declaring that defendants Walton,
4 The Gerald Armstrong Corporation and Does 1-100 hold all of the
5 assets described above in trust for plaintiff.

6 6. That defendants Walton and Does 1 - 100 be required to
7 account to plaintiff for all profits and proceeds earned from or
8 taken in exchange for the property described above;

9 ON THE THIRD CAUSE OF ACTION

10 1. For general damages in the amount of \$1,800,000;

11 2. For exemplary or punitive damages in the sum of
12 \$3,000,000;

13 ON ALL CAUSES OF ACTION AGAINST ALL DEFENDANTS

14 1. For attorneys fees and costs;

15 2. For such other and further relief as the court may deem
16 proper.

17 DATED: July 21, 1993

WILSON, RYAN & CAMPILONGO

18 BY: Andrew H. Wilson
19 Andrew H. Wilson

20 Laurie J. Bartilson
21 BOWLES & MOXON

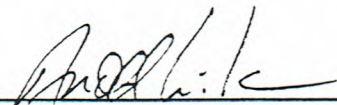
22 Attorneys for Plaintiff
23 CHURCH OF SCIENTOLOGY
24 INTERNATIONAL
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1 VERIFICATION

2 I, ANDREW H. WILSON, declare as follows:

3 I am one of the attorneys for the Plaintiff Church of
4 Scientology International in the above-entitled matter. I have
5 read the foregoing Verified Complaint to Set Aside Fraudulent
6 Transfers and for Damages; Conspiracy and know the contents
7 thereof, which are true of my own knowledge except as to those
8 matters which are stated on information and belief, and as to
9 those matters, I believe it to be true.

10 I declare under the penalty of perjury pursuant to the laws
11 of the State of California that the foregoing is true and
12 correct. Executed on July 21, 1993 at San Francisco,
13 California.

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15 _____
16 ANDREW H. WILSON
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MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

Ex. 1.

19.

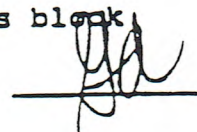
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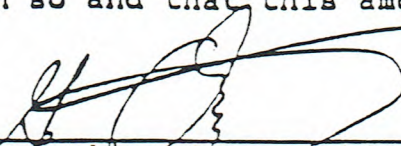
"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

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amount, the receipt of which he hereby acknowledges.
Plaintiff understands that this amount is only a portion of
the block settlement amount. The exact settlement sum
received by Plaintiff is known only to Plaintiff and his
attorney, Michael J. Flynn, and it is their wish that this
remain so and that this amount remain confidential.



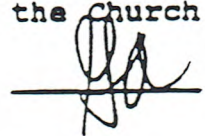
Signature line for Gerald Armstrong

4. For and in consideration of the above described
consideration, the mutual covenants, conditions and release
contained herein, Plaintiff does hereby release, acquit and
forever discharge, for himself, his heirs, successors,
executors, administrators and assigns, the Releasees,
including Church of Scientology of California, Church of
Scientology International, Religious Technology Center, all
Scientology and Scientology affiliated organizations and
entities, Author Services, Inc. (and for each organization or
entity, its officers, agents, representatives, employees,
volunteers, directors, successors, assigns and legal
counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate
and its executor; Author's Family Trust, its beneficiaries
and trustee; and Mary Sue Hubbard, and each of them, of and
from any and all claims, including, but not limited to, any
claims or causes of action entitled Gerald Armstrong v.
Church of Scientology of California, Los Angeles Superior
Court, Case No. 420 153 and all demands, damages, actions and
causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

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Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

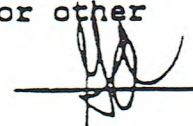
A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

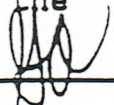
B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

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similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

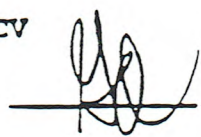
E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(TX), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

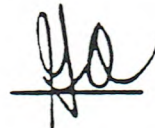
H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

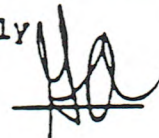
K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

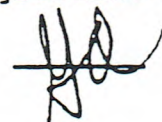
11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and



all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,



representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

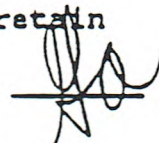
(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

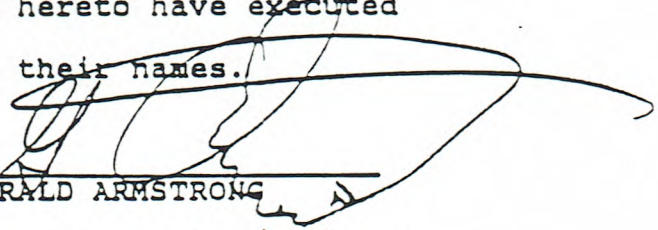


jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1985


GERALD ARMSTRONG

J. Ann A. Richardson
Witness

Michael J. Flynn
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND
CONTENT:

M. J. Flynn
MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

Helen C. Galt
for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

NAME: FIRM: ADDRESS: PHONE: ATTORNEY FOR:	COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF MARIN P.O. BOX E, SAN RAFAEL, CA 94913-3904 (415) 499-6407	
PLAINTIFF:	
DEFENDANT:	

STATUS CONFERENCE QUESTIONNAIRE	CASE NUMBER: 157680
DATE: 12-20-93	DEPARTMENT: 1
	TIME: 9:00

1. I am party attorney for party (name of party):
(check all that apply): plaintiff defendant
 cross-complainant cross-defendant other (specify):
2. (Plaintiffs only) The complaint was filed on (date):
3. Service (plaintiffs and cross-complainants only)
 - a. All parties named in the complaint and cross-complaint have been served, or have appeared, or have been dismissed.
 - b. The following parties named in the complaint or cross-complaint
 - (1) have not been served (specify name):
 - (2) have been served but have not appeared and have not been dismissed (specify names):

4. Alternative Dispute Resolution

- a. All parties have stipulated (a copy of the signed Alternative Dispute Resolution stipulation form is attached) to:
- Judicial arbitration under section 1141.12 of the Code of Civil Procedure.
 - Binding arbitration.
 - Mediation.
 - Neutral case evaluation.
 - Special Master.
 - Other _____.
- b. Plaintiff elects to refer the case to judicial arbitration and agrees to limit recovery to amount specified in section 1141.12 of Code of Civil Procedure (\$50,000 as of January 1990).
- c. Case is exempt from arbitration under rule 1600.5 of California Rules of Court (specify exemption):

5. Jurisdiction

- a. It is reasonably certain that the amount in controversy will not exceed \$25,000.
- b. I request that the court order the case transferred to the municipal.

6. Discovery

- a. I have completed all discovery.
- b. I have not completed the following discovery which will be completed by the date specified:

Description

Date

7. Type of Case

Personal Injury Wrongful Death Property Damage

Collection Other _____
(specify)

Was injury or damage by auto? Yes No

a. Brief statement of the case:

8. Personal Injury Case Contentions:

a. Briefly describe injuries and damages: _____

b. Medical Expenses: To Date _____ Future _____

c. Lost Earnings: To Date _____ Future _____

d. Other Damages: _____

9. Non-personal Injury Case Contentions (specify nature and amount of damage claimed):

10. a. I request an order bifurcating, severing, or consolidating the following issues or causes of action (specify and give reason):

b. A Petition to Coordinate has been or will be filed (CCP Sec. 404 et seq.).

11. I expect to file the following pretrial motions (specify):

12. I request a jury trial.

13. This case is entitled to preference under (specify code and section no.):

14. I seek the following equitable relief (specify):

15. I estimate the trial would take

a. days:

b. (short causes) hours:

16. This case will be ready for trial by (month, year):

17. I request that the following additional matters be determined at the status conference (specify):

Date:

TYPE OR PRINT NAME

SIGNATURE OF PARTY OR PARTY'S ATTORNEY

SUPERIOR COURT OF CALIFORNIA

COUNTY OF MARIN

_____,)
Plaintiff,) No. 157680
vs.)
_____,)
Defendants.)
_____)
_____)

STIPULATION TO ALTERNATIVE
DISPUTE RESOLUTION

The parties hereby stipulate that all claims in this action shall be submitted to;

- binding arbitration non-binding judicial arbitration
- mediation neutral case evaluation special master
- other: _____

in accordance with the provisions of Local Rule 5.

Date: _____, 19____

Plaintiff

Defendant

Attorney for Plaintiff

Attorney for Plaintiff

Plaintiff

Defendant

Attorney for Plaintiff

Attorney for Plaintiff

SUPERIOR COURT OF CALIFORNIA
COUNTY OF MARIN

Court Use Only

FILED

JUL 23 1993

HOWARD HANSON
MARIN COUNTY CLERK
BY C. HARDING DEPUTY

Church of Scientology
International Plaintiff
vs.
Gerald Armstrong et al
Defendant

NO. 157680
NOTICE OF FIRST STATUS/ADR
ASSESSMENT CONFERENCE

This case is subject to the Trial Court Delay Reduction Act, Gov. Code § 68600 et seq., and Rule 5 of the Marin County Superior Court.

GARY W. THOMAS

Pursuant to Rule 5, this case is assigned to Judge _____
This assignment is for all purposes.

Rule 5.7 requires that the Complaint, a copy of this notice, a blank Status Conference Questionnaire and an Alternative Dispute Resolution Stipulation form be served within 60 days of the filing date of this Complaint and that proof of service be filed within 10 days of the date of service (and not exceeding 70 days of the filing of the action). Rule 5.8 requires that defendants file responsive pleadings within 30 days of service unless the parties stipulate to an extension of not more than 15 days.

1. IT IS HEREBY ORDERED that the parties/counsel to this action shall:
 - a. comply with the filing and service deadlines in Rule 5.7 and 5.8 OR APPEAR IN PERSON at the Order to Show Cause hearing on the dates set forth below. (If filing is accomplished after the deadline but more than 24 hours prior to the following dates, and is accompanied by a payment of \$99.00 sanction, appearance on the Order to Show Cause calendar is waived.)

Hearing on Failure to File Proof of Service 10/27/93

Hearing on Failure to Answer 12/9/93
 - b. appear for a Status/ADR conference on the date set below.

12/20/93 Time: 9:00 Dept.: 1

ALL PARTIES AND THEIR ATTORNEYS OF RECORD (WITH 3rd PARTY INSURERS, IF ANY) MUST APPEAR AT THE CONFERENCE (where 3rd party payors are involved, defendants need not appear).

2. Status Conference Questionnaires must be filed and served on all parties, including the Court, at least five court days before the first Status Conference. (A \$49.00 sanction will be charged for late filing of a questionnaire.)
3. You must be familiar with the case and be fully prepared to participate effectively in the Status/ADR Assessment Conference and to discuss the suitability of the case for binding or non-binding arbitration, mediation, neutral case evaluation or the use of a Special Master.
4. At the Status Conference, the Court may make pretrial orders, therefore you should be prepared to discuss the items in Rule 5.9
5. All Law and Motion matters will be heard on the calendar of the assigned Judge

White File
Canary Plaintiff
Pink Calendar Section

ADR Evaluation Form

17. Place a number inside the box to indicate how you feel about this *dispute resolution process* in terms of the following areas:

Scales 1=Very satisfied 2=Satisfied 3=Neither satisfied nor dissatisfied 4=Dissatisfied 5=Very dissatisfied

- a. Permitted me to present the case in an appropriate manner.
- b. Allowed the legal issues to be addressed in an appropriate manner.
- c. Allowed the non-legal issues to be addressed in an appropriate manner.
- d. Provided the opportunity to participate in structuring the outcome of the case.
- e. Provided a fair process.
- f. Reduced the cost of the case for my client.
- g. Overall, how do you feel about the dispute resolution process used for this case?

18. Do you think this dispute resolution process fit this particular case?

- Yes, the process was suitable. No, the process was unsuitable.

Please explain why you came to this conclusion, being as specific as possible: _____

19. Would you be willing to consider using this *dispute resolution process* again? Yes No

20. Place a number inside the box to indicate how you feel about the neutral party who handled your case in this dispute resolution process in terms of the following areas:

Scales 1=Very satisfied 2=Satisfied 3=Neither satisfied nor dissatisfied 4=Dissatisfied 5=Very dissatisfied

- a. Knowledge of the content area of your case.
- b. Knowledge of the legal issues of your case.
- c. Neutrality and lack of bias.
- d. Skill in structuring and guiding the process.

21. Do you think this person fit this particular case?

- Yes, the person was suitable. No, the person was unsuitable.

Please explain why you came to this conclusion, being as specific as possible: _____

22. Would you be willing to use this person again? Yes No

23. Please provide any other comments relating to the dispute resolution process: _____

Thank you for your assistance.

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On July 25, 1994, I served the foregoing document described as FOURTH REQUEST FOR JUDICIAL NOTICE on interested parties in this action,

by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

by placing the original true copies thereof in sealed envelopes addressed as follows:

FORD GREENE **FEDERAL EXPRESS**
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

MICHAEL WALTON
700 Larkspur Landing Circle
Suite 120
Larkspur, CA 94939

BY MAIL

*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on July 25, 1994, at Los Angeles, California.

**(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

[]** Such envelopes were hand delivered by
Messenger Service

Executed on _____, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of
the State of California that the above is true and
correct.

[] (Federal) I declare that I am employed in the
office of a member of the bar of this court at
whose direction the service was made.

Laurie Bartilson

Print or Type Name

LSI

Signature

* (By Mail, signature must be of person depositing
envelope in mail slot, box or bag)

** (For personal service signature must be that of
messenger)